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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 11, 2012

John Wilkinson
Wilkinson Construction Company, Inc.
1200 East 100 South
Morgan, Utah 84950

Subject: Reclamation Surety Required, Wilkinson Construction Co. Inc., Bates Knoll Mine, S/047/0110, Uintah County, Utah

Dear Mr. Wilkinson:

The referenced Notice of Intention to Commence Small Mining Operations (NOI) is complete **with the exception of the reclamation bonding requirement.** The required reclamation surety is either \$27,100 for a three-year escalation (until 2015) or \$27,700 for a five-year escalation (until 2017). This was determined based on information in the following table.

Small Mine Operation Bond Calculation Worksheet S/047/0110			
3-year escalation (2015)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,900.00	\$7,900.00
Add'l Acres Disturbance	4	\$4,800.00	\$19,200.00
Add'l equipment mob (over 5 acre)	0	\$3,000.00	\$0.00
TOTAL			\$27,100.00
5-year escalation (2017)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,100.00	\$8,100.00
Add'l Acres Disturbance	4	\$4,900.00	\$19,600.00
Add'l equipment mob (over 5 acres)		\$3,000.00	\$0.00
TOTAL			\$27,700.00

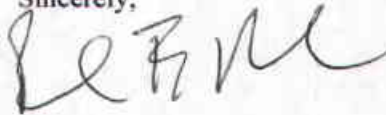
Please submit the reclamation surety and reclamation contract within the next 30 days. No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

John Wilkinson
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The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at 801-538-5291 or by e mail at pennyberry@utah.gov for assistance in completing this requirement.

Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have any questions regarding this letter. In reply please refer to file number S/047/0110.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P. Baker', written over the word 'Sincerely,'.

Paul B. Baker
Minerals Program Manager

PBB:lah:eb

cc: SITLA - JBlake@utah.gov , MCazier@co.untah.ut.us
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